

**RESOLUTION NO. 96-R-604**

**A RESOLUTION SETTING FORTH CORRECTIVE MEASURES AND RESPONSE TO THE INDEPENDENT AUDITORS' SUGGESTIONS REGARDING THE CITY OF BROOKINGS 1994/95 AUDIT REPORT.**

**WHEREAS, the City of Brookings is required by ORS 297.466 to determine the measures it considers necessary to correct any deficiencies disclosed in the audit report; and**

**WHEREAS, in the City's independent auditor's opinion there is a material weakness concerning the need to reconcile and deposit cash receipts daily at the swimming pool and municipal court; and, in addition, during the 1994/95 fiscal year there were two funds that expenditures exceeded appropriations; and**

**WHEREAS, the Finance Director/Recorder has met with the Auditor concerning these weaknesses and has made the following determination regarding the proper measures to address the issues:**

**Reconciliation and depositing of cash daily at the swimming pool:**

**The cash at the swimming pool is deposited daily. The Auditor's concern was for the reconciliation of the cash. After discussion of the process with the City Auditor, it was determined that by retaining the cash register tape from the day's activities and including the register tape with the cash, reconciliation could then be made of the cash to the activity of the day.**

**Implementation of this process began June 3, 1996; the opening of the swimming pool for the season.**

**Reconciliation and depositing of cash daily for the Municipal Court:**

**At the Auditor's suggestion and the Finance Director's concurrence, it has been determined that all cash transactions should be paid to the City Hall business office. This will eliminate any potential**

internal control problems concerning the cash as well as the need for the court to maintain a separate cash drawer. Implementation of this procedure will begin July 1, 1996.

Expenditures exceeding appropriations:

In both the Sewer Bond Fund and the Debt Service Series 1993 Fund, the expenditures exceeded the budget due to the unanticipated increase in administrative fees charged by the bond agent. Until now, the budget expenditure line item was set closely based on the prior administrative costs.

To correct this deficiency and prevent a recurrence, the Budget Officer in preparing the 1996/97 budget, increased the line item amounts for administrative fees.

This correction will be implemented July 1, 1996 with the 1996/97 budget.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of Brookings, Curry County, Oregon, that the City Finance Director/Recorder be directed to implement the corrections cited herein and that a copy of this resolution be sent to the State Audit Administrator in accordance with ORS 297.466.

*PASSED* by the City Council and signed by the Mayor this 24th day of June, 1996.



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Tom Davis, Mayor

ATTEST:



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Beverly S. Shields  
Finance Director/Recorder